

## CHAPTER 2

# OPERATION OF THE SALES OUTLETS

As a Ship's Serviceman third class, you can expect to operate one of the sales outlets aboard ship. The sales outlets are part of the ship's store and include retail stores, vending machines, amusement machines, snack bars, and standard Navy clothing stores. The sales outlets are basically used to display and sell ship's store merchandise, except in the case of amusement machines where you are selling the use of the video game itself. The cash received from sales in these sales outlets is normally more than the original cost of merchandise, unless you are selling standard Navy clothing stock which is sold at standard prices. This additional cash is used to pay for expenses incurred in operating the activities of the ship's store. Any cash left after paying expenses is available for transfer to the recreation fund, which is used for the recreation of crew members aboard ship.

### SHIP'S STORE

As mentioned earlier in chapter 1 of this training manual (TRAMAN), the S-3 division is part of the supply department and is manned by Ship's Servicemen. In a broad sense, the ship's store is the S-3 division because it includes all the activities that make up the S-3 division. This is why we commonly refer to the S-3 division as the ship's store operation. In chapter 1 of this TRAMAN, we mentioned that the supply officer is responsible for the overall operation of the supply department including the ship's store. On ships with junior Supply Corps officers attached, the commanding officer may designate them in writing to assume financial accountability and overall management for the ship's store. Once designated, this officer is referred to as the ship's store officer.

### ESTABLISHING A SHIP'S STORE

A ship's store consisting of sales outlets and service activities will be operated on ships in

commission (except submarines) to which an officer of the Supply Corps is assigned. Before establishing the ship's store, the commanding officer must report by letter the date the ship's store will begin operations to the Navy Resale and Services Support office (NAVRESSO). A copy of the letter should be forwarded to the ship's type commander and Fleet Accounting and Disbursing Center, Atlantic Fleet, by ships with service designator V and Fleet Accounting and Disbursing Center, Pacific Fleet, by ships with service designator R. Once this is done, the commanding officer may authorize any or all of the following activities to operate:

#### Sales Outlets

Retail store(s)

Vending machine(s)

Amusement machine(s)

Snack bar(s)

Standard Navy clothing store(s)

#### Service Activities

Barbershop

Laundry

Dry-cleaning plant

#### Operation of the ROM microcomputer and maintenance of automated ship's store records

The size of the ship's store operation varies from one ship to another. The size basically depends on the size of the ship, the number of customers served, the number of qualified Ship's Servicemen aboard, and the requirements of the commanding officer.

## Precommissioned Ships

A ship's store may also be established on a precommissioned ship as long as the prospective supply officer has already reported aboard. Once the prospective supply officer is aboard, the prospective commanding officer may establish a ship's store in the same manner as commissioned ships, except the letter request must be sent via the ship's type commander.

## Unauthorized Activities

Only those activities authorized by the commanding officer may operate aboard ship. No sales outlet or service activity outside the ship's store operation is authorized and considered a concession. No commercial vendors should be allowed aboard to sell merchandise to the crew, under the agreement to pay a portion of the profits to the ship's store or receive payment for items sold by invoicing them through the ship's store. No officer, enlisted, or civilian can sell merchandise individually owned through the ship's store for personal profit or interest. Ship's store personnel working in the service activities cannot accept money or extra compensation for work performed.

## PURPOSE OF THE SHIP'S STORE

The objectives of the ship's store (fig. 2-1) consisting of sales outlets and service activities are as follows:

1. Provide a source of funds to be used for the recreation of naval personnel through profits from sales
2. Provide a convenient and reliable source for personnel to obtain articles considered necessary for their health, comfort, or convenience at the lowest practical price
3. Provide services necessary in day-to-day living
4. Promote morale

The objectives mentioned previously are not easily obtained. It takes much work and effort by all Ship's Servicemen.

Objectives 2 and 3 entail several tasks; however, as a sales outlet operator, you will not be involved in all these tasks. Since the sales outlets are located aboard ship, they are a convenient source for crew members to obtain articles necessary in day-to-day living. However,

if the sales outlet is not a reliable source, it is no longer considered a convenient source; therefore, as the sales outlet operator, you should make sure the most popular and essential items are available to the customers. The ship's store officer will prepare and approve a list of basic stock items, based on the information in the *Consolidated Afloat Requisitioning Guide Overseas* (CARGO) NAVSUP Pub 4998, chapter 2. This basic stock list includes the most popular and essential stock items and will be made available to ship's store personnel to assist them in keeping these items stocked in the retail stores. As the retail store operator, you should notify the sales office in advance when there is a shortage of any of the items contained in this basic stock list.

There are also several publications and guides listed in the NAVSUP P-487 that will assist ship's store personnel in acquiring articles necessary for the health, comfort, and convenience of personnel and providing services necessary in day-to-day living. NAVRESSO also provides contracts and bulletins so you can purchase these articles at the lowest practical prices.

Objective 1 is directly related to objective 2. If you provide desirable merchandise at a low practical price, sales and profits will increase, thus providing a source of funds to use for the recreation of the crew.

The fourth objective, promoting morale, is easy to define but hard to fulfill, and almost impossible to measure. To promote morale, you must have satisfied customers. The best way to satisfy a customer is to provide what the customer wants or a satisfactory answer, and that can only be done by improving your knowledge of the ship's store operation, especially in the areas with which you should be familiar.

## ACCOUNTABILITY AND RESPONSIBILITY

Before we discuss the various sales outlets, there are a few terms you need to be familiar with because they relate to the ship's store operation. For now, we will discuss the terms *accountability* and *responsibility*. These two terms are closely related; however, they have noticeable differences.

The term *accountability* is an obligation imposed on an officer to give an account for property, funds, and returns in his or her custody. In the ship's store operation, the ship's store officer is obligated by law, lawful order, and regulation to give an account of all property or funds and their intended use in the ship's store;

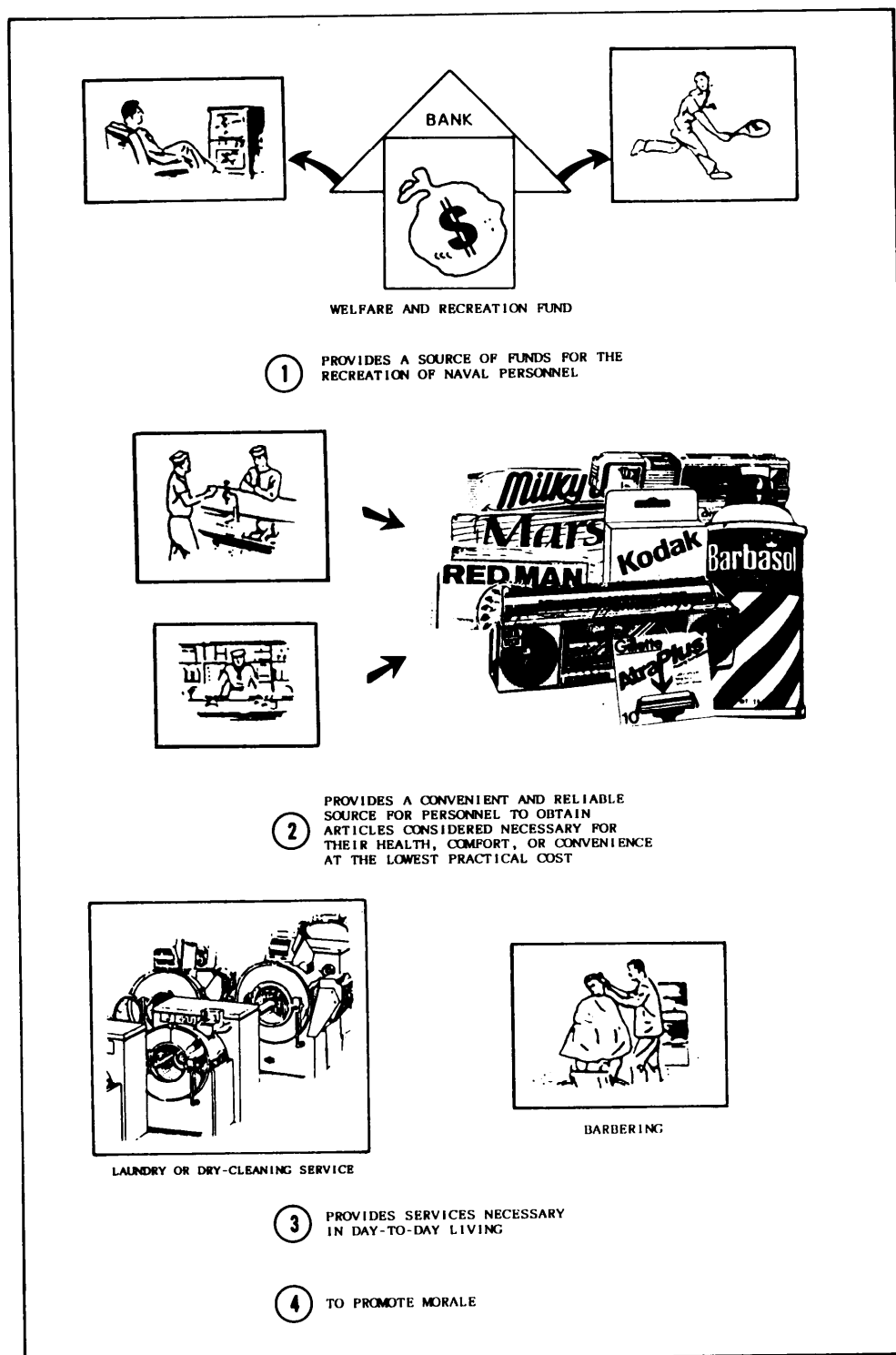


Figure 2-1.—Purpose of the ship's store.

therefore, he or she has accountability for the ship's store operation.

The term *responsibility* is an obligation placed on an individual to exercise custody, care, and protection in keeping property, records, or funds entrusted to him or her or under his or her supervision. This obligation is placed on an individual by law, lawful order, regulation, or custom of service. In the ship's store operation, the sales outlet operator is obligated to exercise custody, care, and protection in keeping all property, records, or funds in his or her sales outlet and, therefore, he or she is responsible to the ship's store officer who is accountable for that sales outlet. The ship's store officer will hold you responsible for performing your duties in the sales outlet properly. This is why it is very important that you fully understand your responsibilities because if you fail to carry out these responsibilities properly you may be punished under the *Uniform Code of Military Justice* (UCMJ).

### Assigning Responsibilities

Listed below are some of the responsibilities that may be assigned to you and are common to the ship's store operation:

- Custody, care, and protection of monies and property
- Proper documentation of receipt and issue of materials and monies
- Custody and accurate maintenance of stock and financial control records
- Inventory control practice to ensure prescribed stock levels
- Completion of inventories and preparation of ship's store returns
- Preparation of required reports

Keep in mind, the term *monies* as used previously is referring to cash transactions in the ship's store operation and does not include monies held by the disbursing officer.

Although you may be well trained in your area of responsibility, the supply officer will still exercise certain controls to maintain his or her accountability. First, the supply officer will prescribe the responsibilities assigned to you in the supply department organizational chart,

manual, or other written directive and in the letters of assignment issued by the ship's store officer. Second, the supply officer will conduct frequent inspections of spaces and operations to make sure responsibilities are being carried out properly. Third, the supply officer will conduct internal reviews to make sure tasks are being completed according to the NAVSUP P-487 and other current manuals, publications, or directives. Fourth, the supply officer will make sure responsible personnel are being properly trained and supervised. Your assignment as sales outlet operator in no way relieves the supply officer or the ship's store officer of his or her responsibilities to the commanding officer for the proper operation of the sales outlet.

### Letters of Assignment

The ship's store officer is required to assign in writing all responsibilities to personnel. These letters will include your duties and limitations, effective date, and the person you relieve, if any. You will acknowledge acceptance of these responsibilities required to perform your duties. These letters of assignment will be filed and maintained in the Military Correspondence File, SSA-17, for a period of 2 years.

### Separate and Combined Responsibilities

As a Ship's Serviceman, you will often hear the terms *separate responsibility* or *combined responsibility*. You should be familiar with and understand the difference between these two terms because many ship's store tasks will differ procedurally between the two.

A separate responsibility operation is one in which two or more persons are responsible for the operation of a sales outlet and the bulk storeroom that supplies that sales outlet. On the other hand, a combined responsibility operation is one in which one person is responsible for both a sales outlet and the bulk storeroom that supplies that sales outlet. Most ships are under separate responsibility operations; however, some ships have combined responsibility operations and some ships have a mixture of both.

### Multiple Sales Outlet Operators

When circumstances make it necessary, the commanding officer may request to have more than one person operating a sales outlet. Once the

type commander approves the commanding officer's request, a two-drawer cash register must be used, where each operator has access to only one drawer. When two persons operate one retail store, cash will be collected at the end of each shift and inventory will be held monthly.

## **OPERATION OF THE RETAIL STORE**

The primary sales outlet aboard ship is the retail store (fig. 2-2). This is not only the most difficult sales outlet to operate, but customer contact is normally heavy. Most ships have one or two retail stores; however, this is dependent on the size of the ship and crew. As the retail store operator, you will eventually become the center of attention among the crew. This is why you will need to learn your job well so you can perform for your shipmates in a beneficial manner. You will perform many tasks, need to know many

policies, and familiarize yourself with many procedures before you operate a retail store.

## **AUTHORIZED CUSTOMERS**

Ship's store and clothing stock may be sold to officers and enlisted personnel of all branches of the armed forces, Public Health Service personnel, National Oceanic and Atmospheric Administration personnel, and foreign service personnel of the United States who are on board for duty, active duty for training, or passage en route to a duty station. Accredited United States technicians (military or civilian) who are assigned on board in an official capacity are authorized customers. Also authorized are the previously mentioned personnel who, while not actually on board, are located in remote areas where armed services exchange facilities are not available.

Items purchased from the ship's store by authorized customers must be purchased for the personal use of the purchaser or dependents or



**Figure 2-2.-The retail store.**

as gifts and must not be resold or exchanged in barter with any other person.

All items of insignia, including buttons, have been designated as distinctive items of the Navy uniform and will not be sold to anyone who is not authorized to wear these articles as items of uniform.

### **Service-Type Ships**

On service-type ships such as ADs, ARs, and ASs, ship's store stock and standard Navy clothing stock are authorized for sale to officer and enlisted personnel other than ship's company when they are attached to those ships receiving support.

### **Survivors of Marine and Aircraft Disasters**

Ship's store stock and nondistinctive items of clothing may be sold for cash to the survivors of marine and aircraft disasters, if such survivors have personal funds available. If the survivor is without personal funds, emergency issues may be made according to the procedures outlined in the NAVSUP P-487.

### **Other Military Activities**

Ship's store stock and items of clothing may be sold to ships not operating ship's stores and to armed services exchanges. Ship's store stock and nondistinctive items of clothing may be sold to exchange locations operated on board civil service manned ships of the Military Sealift Command (MSC), private messes, cigar messes; to the commanding officer for recreational purposes; and to other duly constituted clubs or messes that have been authorized by a commanding officer and whose monthly records are audited.

### **Official Government Organizations**

Upon approval of the commanding officer, cash sales of ship's store stock and nondistinctive items of clothing may be made to representatives of official United States Government organizations at isolated activities outside the United States when the stock items cannot be conveniently obtained elsewhere and the normal operation of the ship's store is not impaired by doing this.

### **Foreign Governments**

Ship's store stock and nondistinctive items of clothing may be sold to personnel of foreign ships in distress and to personnel of foreign ships visiting U.S. ports.

**PERSONNEL OF FOREIGN SHIPS IN DISTRESS.**— Sales for cash of ship's store stock and nondistinctive items of clothing may be made to personnel of foreign ships who are in distress. A request for sale must be submitted by the commanding officer of the ship concerned and must be approved by the commanding officer of the ship making the sale. Only such quantities that can be spared will be sold or transferred.

**FOREIGN SHIPS VISITING U.S. PORTS.**— Sales for cash of ship's store stock and nondistinctive items of clothing may be made to military personnel attached to foreign ships visiting United States ports in connection with the following:

- Participation in exercises with the U.S. fleet
- Research, development, and evaluation programs
- Outfitting incident to ships' transfer programs
- Scheduled conversion, overhaul, or repair

### **Merchant Ships**

Sales for cash of ship's store stock and nondistinctive items of clothing may be made to merchant ships in distress or in need of supplies when normal sources do not exist. A request for sale must be submitted by the master of the ship concerned and must be approved by your commanding officer. Only such quantities as can be spared will be sold.

### **HOURS OF OPERATION**

The hours of operation of the retail and clothing store are prescribed by the commanding officer. Consequently, they will vary from ship to ship or on change of command. The important thing to remember is that these prescribed hours must be prominently posted at all times.

Store hours of operation decals are available on request from NAVRESSO. The decal is pressure sensitive and is applied easily. Lettering is brilliant gold on a blue background, hours are interchangeable, and complete sets of different hours are supplied with each decal for at sea and in port.

The hours of operation should be prominently posted and visible from the outside of the store; usually on the door of a walk-in store or a window of a smaller store.

Stores should be open at least 42 hours per week underway and 20 hours in port. The hours should be set to provide the entire crew an opportunity to shop and should be staggered for different outlets to provide service after working hours, especially while underway. Customers should be allowed an additional 15 minutes in walk-in stores to conclude shopping. Whenever changes are made to store hours or when the store is going to be closed, customers should be notified at least 1 week in advance.

## **POLICY SIGNS**

Policy signs should be prominently posted in the retail store so customers can see them. There should be signs stating that personal checks are accepted up to the amount of sale.

A sign about the harmful effects of cigarette smoking must be placed in each area where cigarettes are sold, whether by the pack or by the carton.

A sign showing the regulations for authorized customers should be posted near each register. A sign should be posted near the suggestion box stating "To better serve you we solicit your

comments on items carried and services offered. Drop a note in the suggestion box. The ship's store officer will give it special attention."

There should be a sign stating that all profits go to the recreation fund. A notice should be posted that special orders may be made through the ship's store office for authorized merchandise not carried in stock.

There should also be a sign stating the ship's store policy on returning defective merchandise bought in the store. Some of the signs previously mentioned are available from NAVRESSO ship's store division. Consult the *Ship's Stores Afloat Visual Merchandising Supplement* on "Basic Display and Signing Requirements" for what is currently available. The other signs can be locally prepared.

## **DISPLAY OF MERCHANDISE**

Display of items in the sales outlet should inform and educate the customer as to the quality, price, use, and other important characteristics of the merchandise (fig. 2-3). Displays should make



**Figure 2-3.-Displays in the retail store.**

an impression on the customer that will answer as many questions as possible about the merchandise. This will reduce the time the customer will use in making a decision on whether to buy a product or not, thus shortening waiting time and lines at retail stores. Any display that does not convey, to the customer, sufficient information on which the customer can make a decision is incomplete and fails its purpose. The purpose of a display is to show merchandise in such a manner that it is attractive, easily seen, quickly identified, readily accessible, neatly arranged, and properly correlated for convenient selection and shopping ease.

## **ATTRACTIVE**

Merchandise must be attractive and must be seen under conditions that enhance its beauty and reveal its usefulness and qualities in an attractive setting. Careful attention to the merchandise, the fixtures, and the setting in which merchandise is displayed is very important. The display area must be given the same attention as the merchandise, and constant care must be exercised to make sure cases, paintwork, glass, and the areas in and about the store are properly maintained. Exterior display windows should be used to their full extent and properly signed to present an attractive and effective merchandise display. Displays should be changed frequently to stimulate customer interest.

## **EASILY SEEN**

Place merchandise so that customers can see it without undue effort or strain. Observe the following rules:

- Put large items on lower shelves.
- Put small items at eye level and above (but not too far above).
- Do not hide merchandise behind signs or decorations.
- Use bright lights so that customers can see the merchandise and read the signs without difficulty. Lights should be cleaned periodically and replaced when necessary. You should also identify items temporarily out of stock by using a sign at the shelf location that can be easily seen and read by the customer.

## **QUICKLY IDENTIFIED**

Shopping can be speeded and customers made to feel more satisfied if they can identify merchandise quickly. To achieve this, bear these points in mind when setting up displays:

- Place labels and informative copy on packages face up and right side out so that information is read easily.
- Show the item so that its purpose or use is obvious. This may require the use of a sign or an opening on the item so that its features can be seen.
- Use a picture or sketch from a newspaper or magazine ad and take advantage of the preselling that has been done by the salesman or distributor.
- Identify new items with a sign.

## **READILY ACCESSIBLE**

When displayed merchandise is readily accessible to the retail store operator or the customer, much time can be saved in completing the transaction. Time is important to fellow crew members and you should do everything possible to avoid wasting their time. One way to make items more readily accessible in your store is to use all available purchasing and selling history to determine which items move faster. Display these items so they can be easily handled by the customer. Take the time to set up displays so that two or three other items do not have to be moved or disturbed to get at one that is behind or underneath other merchandise.

## **NEATLY ARRANGED**

Merchandise both on display and within the store should always be neatly and conveniently arranged. When using shelves directly behind the selling area of the store, merchandise should be arranged to fill as much cubic space as possible. Certain items may be stacked two or three deep when practical. If retainer bars are used on shelf fronts, even cans or jars can be stacked by inserting a piece of masonite or cardboard between layers. In walk-in stores do not lay vendor merchandise cards, racks, and so forth, on top of the showcases. Ledges should not be used to store merchandise; they should be used to attractively display the merchandise.



## **CORRELATED**

Displays look best and are most productive and convenient to the customer and the store operator when items are correlated. Simply defined, this means show together items that are related in use or purpose. It is an old retail axiom that one item will suggest another. Therefore, when arranging displays, see that related items are put together. Set up toiletries in a compact section, cigarettes and tobaccos in one, and jewelry in another. This treatment of merchandise permits easier selection, and customers do not have to scan several different areas of display to find what they want. It is much more helpful to the customer if toothbrushes are displayed near the toothpaste, shoelaces near the shoe polish. This correlation of one item with another usually acts as a reminder to customers and encourages or prompts them to select or buy items that they might have forgotten they needed. You should go through the store frequently and take a look at your merchandise arrangements, determine whether each item is displayed to assist the customers, rather than hinder them.

## **ARRANGING DISPLAYS**

The preceding pages have been devoted to explaining the principles of displaying and what good displays should do. Now that you understand that merchandise must be treated in certain ways for maximum effectiveness we must consider the means and devices necessary to get the desired results.

Many factors have to be considered in the operation of a successful and attractive retail store. The location, layout, and condition of equipment are the three elements involved.

### **Location**

The most desirable location is an area adjacent to a mess, recreational area, or other high traffic spot. Space in front should be adequate to permit free flow of traffic without disturbing shoppers.

### **Layout**

Layout of equipment both inside and outside the store should be planned to afford both the customer and the operator as much convenience as possible. In this respect, the location, the selling area, and the arrangement of shelving for fast-selling merchandise must be considered.

## **Equipment Condition**

Equipment, whether new or old, should always be kept in good working order. Special attention should be given to maintenance of locks, door tracks, shelf channels, and so forth. Replacement or repairs should be made without delay when necessary.

## **Fixtures**

The basic fixture requirements for the ship's store are quite limited. The size of the store front, space between shelves, and the nature of the items displayed must be considered before display fixtures are selected for use in any store. Fixtures considered basic for most stores are shown in the *Ship's Stores Afloat Visual Merchandising Guide*. Purchase orders for display aids listed should be forwarded on a DD Form 1155 to NAVRESSO, at which time prices will be negotiated with the vendors by NAVRESSO.

Fixtures should be treated with care. Dust and polish them before each use. When not in use, store them in a safe place where they will be protected from damage or breakage. Fixtures that have been damaged or broken should not be used, since they detract from the appearance of clean new merchandise. Head or shirt forms and other display fixtures made of papier-mache and coated with plaster can be easily repaired with patching plaster or spackle. Glass, plastic, lucite, and metal fixtures should be spotless when being used. Discard those broken beyond repair.

## **Signs**

Signs are the silent voice of the store operator. They tell the customer where the store is, what is or will be on sale, what the items are, and their price. Any other information, descriptive or explanatory, that will help the customer to shop more easily and quickly should also be included.

## **Decorations**

Decorations should be used in the ship's store displays to arouse customer interest and add to the appearance of the merchandise on display. Decorations will also alert your customers to approaching events or seasons and remind them to purchase their needs in advance. The previously mentioned *Visual Merchandising Guide* includes information on procurement of an all-season display kit.

The retail store should be decorated for all major events and seasonal changes. When displays are installed for seasonal events, the decorations should be changed too. No displays should be left in cases for more than 1 month without being refreshed or changed. Clean, fresh, and colorful displays should be evident at all times. Care must be taken when employing decorative materials to avoid overshadowing or overcrowding merchandise. The use of too much decor can detract from the appearance of the display and cause confusion.

Remember, it is always better to keep displays simple, neat, and lightly decorated. They are more pleasing to the eye and more likely to interest the customer. If it creates interest, shows merchandise at its best, and holds attention, it is a good display.

## **PRICING POLICIES**

As the retail store operator, you will not be concerned with establishing selling prices because this is done in the ship's store office and is the responsibility of the ship's store officer. It is your responsibility, however, to make sure all items are clearly and conspicuously marked, and you should be aware of how prices are determined.

### **MARKUP**

The ship's store officer is responsible for the markup over cost or transfer price of items to be sold in resale activities (excluding standard Navy clothing). The Resale Operations Management (ROM) system automatically computes a 15 percent markup on all retail items. The ship's store officer, if desired, may override the ROM system markup by keying in the desired selling price on the Stock Record, NAVSUP Form 464, and the Purchase Order, DD Form 1155. Markups should be sufficient to provide for the following:

- Cover markdowns and surveys
- Cover other operating expenses
- Meet the requirement of the commanding officer for the recreation fund
- Cover the cost of operations of the sales outlets and service activities

The maximum prescribed overall profit limitation is 15 percent. This limitation applies to a percentage of overall sales and not to individual items. Special order items will be marked up as determined by the ship's store officer.

### **CLOTHING**

Standard Navy clothing items are sold at standard prices, as shown in the *Navy Clothing Price List for Men and Women*, NAVRESSO Pub 90. ROM users will assign department code L-1 to the stock records for all standard Navy clothing items. The ROM system will not compute the 15 percent markup for items assigned department code L-1.

Price changes to standard Navy clothing items are issued in changes to NAVRESSO Pub 90. Standard price changes are effective on the date specified in the change. An inventory will be taken of those items actually affected by a standard price change and any gain or loss as a result of the adjustment will be accounted for on a Retail Price Change, NAVSUP Form 983.

### **MARK-ONS**

A mark-on is an increase in a previously established retail price of an item of merchandise. Mark-ons are done only on the authority of a Retail Price Change, NAVSUP Form 983, approved by the ship's store officer. Before prices can be changed in the sales outlet, the merchandise must be inventoried in the presence of the sales outlet operator by the ship's store officer or designated assistant. After inventory of the merchandise concerned, the sales outlet operator will record the date the prices are changed on the NAVSUP Form 983 and sign it. The NAVSUP Form 983 will then be routed to the ship's store office for posting to the records. Request a copy of the NAVSUP Form 983 from the ship's store office for your files because it is not stated in instructions to give you a copy. As the sales outlet operator you should maintain a file of all documents when a transaction occurs in your sales outlet. These copies can be used as a ready reference and they are your proof that a transaction occurred. Procedures for preparing a mark-on are discussed in the NAVSUP P-487, par. 2106.

## PRICES TO OTHER MILITARY ACTIVITIES

Nonexcess salable stock items of ship's store are sold at cost price to other military activities except as follows:

- Sales to the commanding officer of ship's store stock for recreational purposes must be made at the retail price.
- Sales to ships not operating ship's stores must be made at the retail price when the transferring ship provides a composite recreation fund. What this basically means is the requesting ship shares in the profits of the supporting ship; for example, SSNs supported by an AS.
- Authorized cigar messes.
- Merchant ships and foreign governments.

## MARKDOWNS

A markdown is a reduction of a previously established price. It is used to stimulate sales of slow-moving merchandise or damaged goods. Markdowns are done only on the authority of a Retail Price Change, NAVSUP Form 983, approved by the ship's store officer.

When a markdown is necessary, it is best to mark down a substantial amount, rather than a small amount one day and a little more a couple of days later. Make a markdown large enough to stimulate the sale now, rather than have the customers try to wait until you have reached your lowest point of reduction. Initial markdowns of 25 percent or 50 percent are not uncommon in the retail trade and should be taken when necessary to stimulate sale of the item.

All markdowns should be prominently displayed so that the customers may notice the sale readily.

Standard clothing items are not marked down on a NAVSUP Form 983, but are reduced on a Report of Survey, DD Form 200. These procedures are covered elsewhere in this manual.

## DISPLAYING PRICES

A ship's store must display its prices for each article so that customers can see the prices. Some

articles do not lend themselves to individual price marking. These include beef pepperoni sticks, belts, books, candy, chewing gum, cigarettes, combs, flint lighters, greeting cards, handkerchiefs, key rings/chains, magazines, matches, postcards, rating badges, ship photographs, shoelaces, shower shoes, soaps, toothbrush holders, and wick lighters. The selling price for these items should be plainly marked on the bin or shelf holding these items by use of signs or price lists.

The ROM system will generate shelf labels that identify the stock number and price. The *ROM Terminal User's Guide* (TUG) provides instructions on how to produce these labels that can be used for all items in the retail store, but you should make sure all items not mentioned previously are also marked with the price individually. This will help you in selling, merchandising, inventorying, while at the same time prevent price manipulation. A standardized price marker and price tags should be used. Information on these items is available in the *Ship's Store Afloat Basic Display and Signing Requirement*, NAVRESSO VM SUP.

When you receive merchandise into the retail store or snack bar, you will price the merchandise using the retail price list on the Intra-Store Transfer Data, NAVSUP Form 973. When you are using the price marker, attach the price tickets to each item without damaging the product or product container itself. You should also attach tickets uniformly on similar items so they can be easily seen when you are ringing the prices up on the cash register. Never use crayons or grease pencils to mark merchandise because the price can be easily altered. Never re-mark any merchandise unless you have a Retail Price Change, NAVSUP Form 983, approved by the ship's store officer. Always have a price list available in the retail store near the cash register so you can check prices when you are not sure. You should use a copy of the Ship's Store Inventory Count Sheet, NAVSUP Form 238, for this purpose and make changes to this price list as required in ink.

## HANDLING CASH FROM SALES

The sales outlet operator is responsible to the ship's store officer for the proper handling of all

cash received from sales (fig. 2-4). Since there is a great deal of cash handled during an accounting period, caution should be exercised by all personnel having anything to do with money.

## **CASH REGISTERS**

All sales in the retail store must be cleared through cash registers. Sales, therefore, shift accountability from merchandise to cash. You are responsible for safeguarding cash in the same manner in which you safeguard merchandise. The retail store operator is the only person allowed access to the cash register. Under no circumstances can anyone other than the retail store operator ring up sales. The cash register provides a record of the amount of money you collect. Use it properly. Keep in mind, however, that you are held responsible for errors in pricing and in making change.

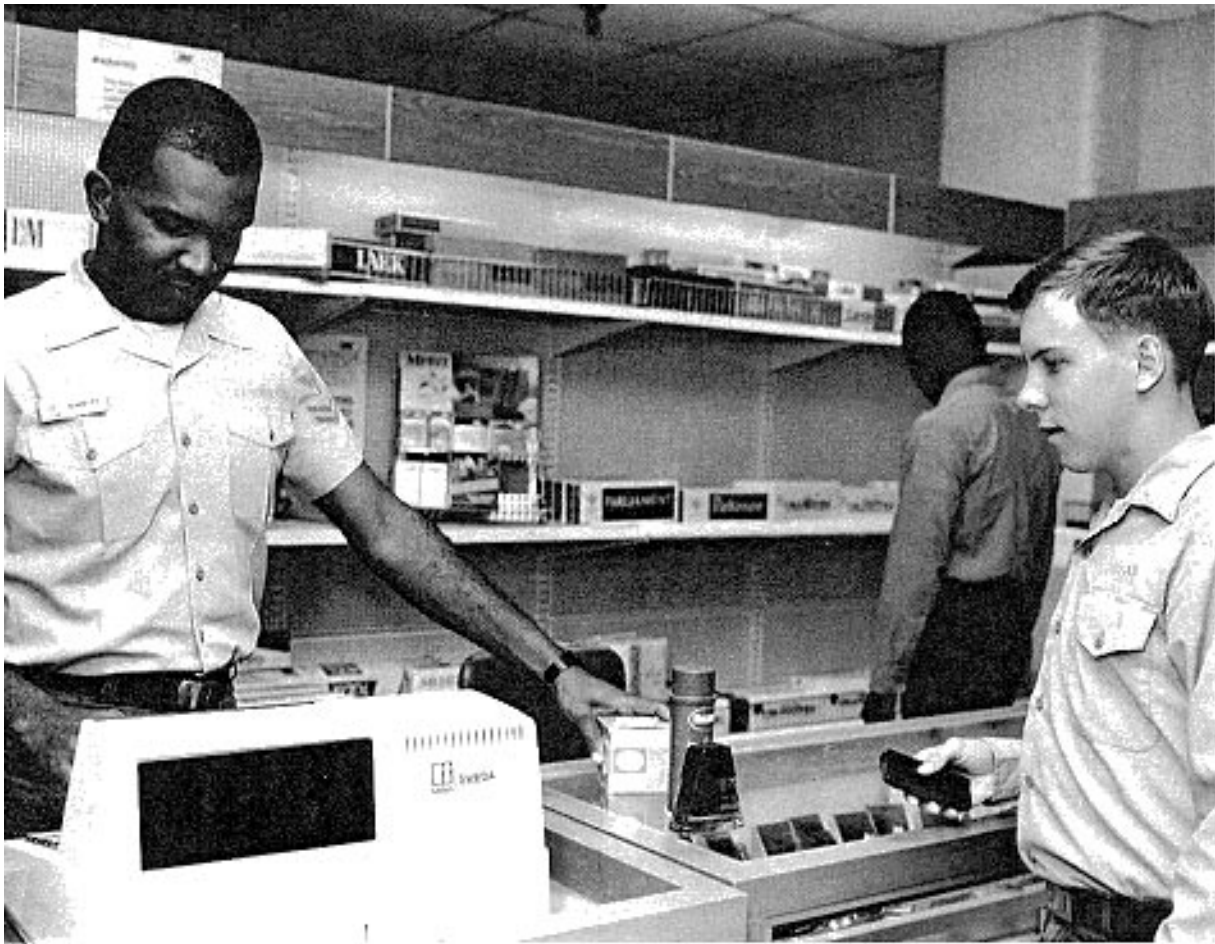
Cash registers should not be turned back, nor should the reading be altered at any time. Readings should be allowed to accumulate. The “paid-out” key, if installed in the cash register, must be blocked out to prevent use.

### **Location of the Register**

The cash register must be located where it will provide the customer with a clear view of the registration of the amount of the sale. As an optional procedure, a cash register that provides the customer with a tape, itemized and totaled, is acceptable.

### **Cash Register Keys**

The keys to the register will be in the custody of the cash collection agent including keys that



**Figure 2-4.—Handling cash from sales.**

permit access to the detailed tapes and the key that controls the selection levers. All levers will be locked in the cash position except when the cash collection agent is making collections.

### **Cash Register Tapes**

If the cash register you are using generates tapes, two tapes will be generated. One tape will be produced for the individual customer, while the detailed tape is retained in the register for record of sales. When the detailed tape gets close to running out a green streak will appear on the tape itself. Once the tape runs out you will not be able to use the cash register again until the ship's store officer or cash collection agent changes the tape. The cash collection agent will sign and date the used tape and turn it over to the ship's store officer for filing in the Accountability File, SSA-21. The tape is eventually placed in the retained returns.

### **CHANGE FUNDS**

At the beginning of each accounting period or when the store is reopened after being closed for over 72 hours, advance funds are provided to the store operator by the disbursing officer. On ships operating multiple retail outlets, this advance may be made by the ship's store officer, the designated officer assistant, or designated cash collection agent. The operator must sign a Cash Receipt Certificate, NAVCOMPT Form 2114, for the funds. The funds are used as change until such time as sales are sufficient to provide the required change. The amount of the change fund is usually \$50. An instruction on the change funds, including the amount of the change fund, will be approved by the commanding officer and included in the supply department instructions. The advanced change fund is not registered on the cash register, but remains in excess of proceeds from the sales. At the close of the business day or as soon as possible thereafter, the retail store operator returns the amount of funds advanced to the retail store before reading the cash register. At this time, the receipt originally given for the funds is destroyed. Advanced change funds may remain in the cash register overnight only when the day's sales have not produced sufficient cash to provide change for business the following day.

On special occasions such as paydays, when a greater amount is required temporarily for change, an extra amount may be entrusted to the retail store operator upon presentation of his or her receipt. Such extra amounts must be specified in the instructions of the commanding officer to the ship's store officer.

## **CASH TRANSACTIONS**

All sales in the ship's store are made on a cash basis and United States currency is the only currency acceptable. In addition to U.S. currency, the customer has the option of using either a personal check or traveler's check. The ship's store as a matter of necessity must impose certain conditions on accepting these documents instead of cash.

### **PERSONAL AND TRAVELER'S CHECKS**

The most widely used alternative to cash is the personal check. You can accept personal checks only from active duty or active duty for training personnel for the amount of purchase only. Two-party checks are not acceptable. Personal checks must be on a United States account, stated in terms of United States currency, inscribed with the printed name of the purchaser and magnetic ink bank account number, and made payable to USS\_\_\_\_\_. The customer's signature should include his or her first name, middle initial, if any, and last name. Make sure his or her current duty station and social security number are written on the back of the check. The store operator should politely ask for the customer's armed forces identification card and verify the purchaser's signature and social security number on the check with what is on the identification card. Make sure the date on the check is correct and the amount written agrees with the amount shown in numbers. Checking the basic information on the check will prevent the check from being returned because it was not filled out correctly.

Another alternative to cash is the traveler's check. Customers may use traveler's checks in amounts up to \$5 over purchase. Make sure the customer endorses the traveler's check in your presence. Ask for the customer's armed forces

identification card and verify the signature to make sure it is the same as that on the traveler's check.

**PUTTING MONEY IN THE REGISTER**

Once you have signed for your change fund as discussed earlier, you will have to arrange the cash from the change fund in your cash tray. It may seem strange, but the number of cash handling errors you make may be related to how you arrange your money in the cash tray. After you count your money, arrange it in the cash register carefully as shown in figure 2-5. If your cash register has less than five compartments, place any checks you receive during the day under the cash tray in the cash drawer. Make sure all bills are placed in their respective compartments, facing up in the same direction. Make sure while putting the bills in the tray that they do not stick together. If the bills are new, it is a good practice to turn the corner down on each bill to prevent giving two instead of one for change. Large bills such as \$50 or \$100 should always be placed under the money tray. Keep coins in their own compartments, with pennies on the right, then nickels, dimes, and quarters. Half dollars should be kept together in one compartment next to the quarters.

Before ringing up your first sale of the day you should make certain the area around the cash register is clear. Do not clutter the area surrounding the cash register with signs, notes, or other items. The sales window should be clear so the customer can see the amount of sale being registered.

CHECKS	TWENTIES	TENS	FIVES	ONES
HALVES	QUARTERS	DIMES	NICKELS	PENNIES

Figure 2-5.—Arranging money in the register.

**TAKING THE CUSTOMER'S MONEY**

Most errors happen during the exchange of money between the customer and the operator of the store. Before you actually take the money, ring up each item the customer is purchasing separately on the cash register. Do not try to add the total price of more than one item in your head. The cash register is designed to do this for you. Complete each transaction before thinking about starting another one. This will prevent confusing yourself and the customer and will avoid any shortages or overages in the cash register. Apologize to the customer who must wait. The better you manage your customers, the fewer errors you will make in handling money.

Count the money as you receive it from the customer for each sale. Repeat out loud the amount of money handed to you, as well as the amount of the sale. By doing this for every sales transaction, you avoid the chance of becoming confused if the customer should claim that a larger bill was given to you. For example, as the customer hands you this money, you should say, "Thank you, that will be \$4.35 out of \$5." Leave the amount of money received on the change plate until you count the change from the till. If someone interrupts you or you forget, you will have the exact amount received in front of you just below the row of keys on the register. You will not have any doubt or mistakes on the amount. Count the change twice, first as you take it from the till and second as you give it to the customer. Start counting your change from the amount rung up until you build up to the amount received. For example, if you have to ring up \$4.35 out of \$5, you would pickup a nickel and a dime from your till and count aloud, "Four forty, four fifty," and then pick up two quarters and count aloud, "Four seventy-five, five dollars." Repeat in the same way as you count the change into the customer's hand. If you or the customer finds an error in your count, take back all change from the customer. Make your corrections, and then count the change correctly into the customer's hand. Now remove the money from the change plate and put it in the cash drawer. Be sure to close the cash drawer after every transaction; never work out of an open cash drawer. If your cash register provides a receipt, tear the receipt off and give it to the customer. Always remember to look at your first receipt of

the day to make sure it prints clearly and that the date is right.

## **CASH REGISTER MALFUNCTIONS**

The cash register, like any other piece of machinery, can break down. Most ships normally have a backup cash register to replace the broken one while it is being repaired. However, if a backup register is not available, you should take the following steps while the register is out of order:

- Keep a cash sales log and record the total dollar value of each sale. Use an adding machine to total the value of merchandise bought by each customer. The log will include columns for item sold, quantity of the item sold, unit selling price, and extended selling price.

- Use an adding machine to total the log and balance it with cash on hand at the end of each business day.

- Retain the daily log and adding machine tapes in the same manner as cash register tapes.

- Enter cash collected in the Cash Receipt Book, NAVSUP Form 470, Cash Register Record, NAVSUP Form 469, and the ROM system.

- Collect all cash including change funds daily.

## **REFUNDS**

All sales made in the retail store are final except that merchandise determined to be defective may be returned for refund or adjustment under the following conditions:

- When merchandise is guaranteed by the manufacturer and returned within the warranty period

- When merchandise can be reasonably assumed to have been defective at the time of

sale and is returned within 30 days of such sale

All refunds must be approved by the ship's store officer before the retail store operator can accept an item and give the customer a cash refund. Process the refund on an Overring/Refund Voucher, NAVSUP Form 972 (fig. 2-6). The voucher will include a short description of material returned and will be signed by the ship's store officer, the retail store operator, and the customer. Once the store operator receives the signed refund voucher from the customer, a refund can be paid out of the cash in the register. The store operator will then place the overring/refund voucher under the cash tray until daily collections. The voucher will then be collected by the ship's store officer or cash collection agent. The amount of refund will be reported as a separate entry in the Cash Register Record, NAVSUP Form 469, and the Cash Receipt Book, NAVSUP Form 470. The voucher itself will be attached to the applicable page of the NAVSUP Form 469.

## **OVERRINGS AND UNDERRINGS**

Some cash register operators, it seems, never make a mistake. But what happens if they push the wrong button, or the customer does not have enough money to pay for the purchase? When an underring occurs; that is, you didn't charge the customer enough, you can correct it simply by ringing up the difference between the item's actual retail price and what you charged the customer. For example, the customer purchases a radio for \$23. You, however, mistakenly ring up \$13. This problem is simply corrected by ringing up an additional \$10 (\$23-\$13). This type of cash register error requires no authorization to correct; however, overrings require the signature of the ship's store officer before they are valid. An overring occurs when:

- the amount rung up on the register is greater than the price of the item, or

- the customer does not have enough money to pay for the purchase.

Once an overring occurs, the sales outlet operator must prepare an Overring/Refund

OVERRING/REFUND VOUCHER NAVSUP FORM 972 (REV. 10-72)										DATE <u>9-11-19--</u>					
SHIP'S STORE - COMMISSARY STORE AT										REFUND		DEPT.		OVER- RING	
ENTER SHIP'S NAME AND HULL NUMBER										DOLS. CTS.		DOLS. CTS.		DOLS. CTS.	
REGISTER NO. <u>1</u> SALES PERSON NO. <u>          </u>										<u>35</u> <u>00</u>		S-1			
(SEE REV.-CK. APPLICABLE CODE)												S-3			
EXPLANATION										1		2		3	
REFUND														✓	
OVER-RING															
TOTAL AMOUNT IN WORDS										<u>35</u> <u>00</u>		TOTAL			
THIRTY-FIVE DOLLARS and <u>NO</u> CENTS															
SIGNATURES				SALES PERSON				SUPERVISOR				OIC/ROIC REVIEW			
				<u>JR Kendall</u>								<u>RB Turner</u>			
CUSTOMER (IN CASE OF REFUND)								PERSON RECEIVING MDSE. (REFUND ONLY)							
<u>W. M. Kucera</u>								<u>JR Kendall</u>							

EXPLANATION CODES	
REFUNDS	
1. CUSTOMER DISSATISFIED WITH PRODUCT.	
2. PRODUCT SPOILED OR UNFIT FOR CONSUMPTION.	
③ OTHER (EXPLAIN) <u>RETURN OF VIVITAR EF-35 CAMERA</u>	
<u>DUE TO DEFECTIVE FLASH UNIT</u>	
OVER-RINGS	
1. INSUFFICIENT FUNDS - CUSTOMER.	
2. REGISTER OPERATOR ERROR.	
3. VERIFICATION CHECK OF PREVIOUSLY RUNG UP ORDER.	
4. OTHER (EXPLAIN) _____	
_____	
0108-L-F-502-2101	

Figure 2-6.—Overring/Refund Voucher, NAVSUP Form 972 (for refunds).

Voucher, NAVSUP Form 972 (fig. 2-7). The sales outlet operator and the ship's store officer will both sign the NAVSUP Form 972, and it will be kept under the cash tray in the register until daily collections are made. At the time cash is collected, the person making collections will attach the 972 to the applicable page of the Cash Register Record, NAVSUP Form 469, and make a separate entry on both the NAVSUP Form 469 and the Cash Receipt Book, NAVSUP Form 470.

## PERSONAL CHECKS RETURNED BY THE BANK

When a personal check, which was written for purchase in the retail store, is returned to the ship due to insufficient funds, the ship's store officer must reimburse the disbursing officer for the amount of the check from cash in the retail store register. The retail store operator will take the personal check and place it under the cash tray



OVERRING/REFUND VOUCHER										DATE 1-5-19--	
NAVSUP FORM 972 (REV. 10-72)											
SHIP'S STORE - COMMISSARY STORE AT											
										REFUND	
										DEPT.	
										OVER-RING	
										DOLS.	CTS.
										S-1	10 00
										S-3	
										S-4	
										TOTAL	10 00
REGISTER NO.	SALES PERSON NO.	(SEE REV.-CK. APPLICABLE CODE)									
1		EXPLANATION	1	2	3	4					
		REFUND									
		OVER-RING		✓							
TOTAL AMOUNT IN WORDS											
TEN DOLLARS and NO CENTS											
SIGNATURES		SALES PERSON				SUPERVISOR				OIC/ROIC REVIEW	
		B. L. Garry								K. A. Brown	
		CUSTOMER (IN CASE OF REFUND)				PERSON RECEIVING MDSE. (REFUND ONLY)					

Figure 2-7.—Overring/Refund Voucher, NAVSUP Form 972 (for overring).

in the register until cash, a certified check, or money order is received for settlement. Once one of the above is received, it will be placed in the cash register and the check returned to the individual purchaser.

To account for a personal check returned, you should make a separate entry on the Cash Register Record, NAVSUP Form 469, showing that an uncollectible check is in the cash register. The amount of the check will not be written in the Amount In Figures column of the NAVSUP Form 469, instead the words *Uncollectible Check* will be entered here so it will not be totaled at the end of the month. Once the money is received for the check from the individual purchaser, the amount will be shown on the Cash Register Record, NAVSUP Form 469, for information purposes. The amount will not be included in the total figure but the words *Settled Check* will reentered in the Amount In Figures column of the NAVSUP Form 469 to indicate the check is settled. Keep in mind that the amount of money received to cover the check will not be rung up in the register but just placed in the cash drawer and the check returned to the individual purchaser.

If the check is not settled by the end of the accounting period or when the retail store operator is relieved, the retail store operator should make sure the check is included on the

inventory prelisting and the amount of the check included in the inventory.

If, after repeated attempts, the ship's store officer fails to collect the amount of the check, it will reconsidered uncollectible after 4 months. The amount of the check will have to be charged as an operating expense of the ship's store. The amount of the uncollectible check will be reported on the Cash Register Record, NAVSUP Form 469, for information purposes only. The words *Dishonored Check* will be entered in the Amount In Figures column of the NAVSUP Form 469 to make sure the amount of the dishonored check is not included in the monthly total. The dishonored check will be removed from the register and turned over to the ship's store officer. At the end of the accounting period, a Memorandum Invoice, DD Form 1149, will be prepared listing all dishonored checks. The invoice will contain the following:

- Name and social security number of each check drafter
- Date of check
- Bank and bank account the check was drawn from
- Amount of check

A separate entry will be made for all dishonored checks by the office recordskeeper on the Ship's Store Afloat Financial Control Record, NAVSUP Form 235, to adjust the retail store operator's accountability.

ROM users will create a separate Intra-Store Transfer Data, NAVSUP Form 973, for dishonored checks from the retail store to the bulk storeroom to adjust the retail stores accountability on the Ship's Store Afloat Financial Control Record, NAVSUP Form 235. After the ship's store officer verifies that an intrastore transfer was accomplished to adjust accountability, he or she will change the balance on the Stock Record, NAVSUP Form 464, to zero through the ROM corrections function and delete the stock record.

## **SPECIAL-TYPE SALES**

In addition to regular sales transactions, you have special transactions that are authorized for ship's store with which you should be familiar. These include group sales, bulk sales, and the sale of traveler's checks.

### **Group Sales**

The necessity for conducting group sales of ship's store stock is generally limited to ships such as transport vessels or activities that carry or serve individual units of personnel such as Army troops, Marine Corps troops, and large detachments of Navy and Coast Guard personnel. Because ship's store spaces and store hours are generally limited, it is often impossible to serve all the crew plus troop personnel on an individual basis. As a remedy, group sales may be conducted.

Under this system, troop units are divided according to squads, platoons, companies, berthing assignments, or some other category, and individual orders for purchases within a group are combined and turned over to one responsible person. This person may then either purchase the group orders directly from the ship's store during hours when it is normally not open for sales, or may clear the orders through the troop quartermaster for further combining.

In either case, a considerable amount of time will be required for the ship's store operator to make up and check the group orders, and adequate allowance must be made for this time. For example, when orders are submitted late one afternoon, this person will usually have until the middle of the following morning to make up the orders and check them.

Group sales are always made at established retail prices and are cleared through the cash register in the usual manner.

### **Bulk Sales**

Bulk sales normally are made to Navy exchanges, MSC exchanges, or ships not operating ship's stores when the transferring ship does not provide a composite recreation fund. In other words, the requesting ship does not receive a share of the profits from another ship's store.

Bulk sales are made using the Requisition and Invoice/Shipping Document, DD Form 1149. Requests for bulk sales from activities that are authorized to buy ship's store stock at cost price are submitted by the activities' commanding officer. (See fig. 2-8.) Once you receive this requisition, your ship's store officer will approve it by signing the DD Form 1149. You will then sell the items requisitioned at cost price from the retail store. If your retail store stock is insufficient to cover the order, additional quantities should be obtained from the bulk storeroom using the Intra-Store Transfer Data, NAVSUP Form 973.

ROM users must verify that the ship's store stock numbers used by the requesting activity are the same as those used by the issuing ships records. The requesting activity's DD Form 1149 is then taken by the ship's store recordskeeper who will enter the bulk sale into the ROM miscellaneous expenditure function and the ROM will automatically assign an expenditure number. After the bulk sale is entered in the ROM, the DD Form 1149 is taken to the retail store, and the operator will then sell the items requisitioned at cost price.

Normally, payment for bulk sales is required at the time of delivery and you, as retail store operator, will acknowledge receiving payment by signing the DD Form 1149. The purchaser will then sign the DD Form 1149 to acknowledge receipt of material. If for some reason the store operator does not receive payment, a copy of the DD Form 1149 will be retained in the cash register. The value of the material will be carried as inventory and included on the last page of the Inventory Count Sheet, NAVSUP Form 238, until payment is received. Once payment is received, it will be rung up on the cash register and the DD Form 1149 will be removed.

The cash collected from bulk sales will be reported as a separate entry for information purposes in your Cash Receipt Book, NAVSUP Form 470, and the Cash Register Record,

REQUISITION AND INVOICE/SHIPPING DOCUMENT

ENTER UIC, NAME AND HULL NO. OF REQUESTING ACTIVITY

ENTER UIC, NAME AND HULL NO. OF TRANSFERRING SHIP

NAVJAG PUB 487, PAR. 2205

SIGNATURE OF REQUESTING ACTIVITY'S COMMANDING OFFICER

17X4911.2310 000 21001 0 UIC of PNAOC 100721 00/UIC/98704 \$40.00

IT IS REQUESTED THAT A BULK SALE OF THE FOLLOWING ITEMS BE MADE TO J. W. HOFFER, SN3, USN

ITEM	QUANTITY	UNIT PRICE	TOTAL PRICE
1 M&M'S CANDY, PLAIN	72	\$ .24	\$17.28
2 POCKET COMBS	48	.04	1.92
3 PALL MALL R.S.	5	4.16	20.80

U.S. DOES NOT OPERATE A SHIP'S STORE AND DOES NOT RECEIVE A SHARE OF THE PROFITS OF ANOTHER SHIP'S STORE.

APPROVED: J. W. HOFFER, SN3, USN SHIP'S STORE OFFICER

MATERIAL RECEIVED: J. W. HOFFER, SN3, USN

PAYMENT RECEIVED: W. L. MOORE, SN2, USN RETAIL STORE OPERATOR

POST TO NAVSUP FORM 978

YOUR SHIP'S STORE OFFICER WILL APPROVE THE DD FORM 1149 BEFORE ISSUING THE MATERIAL

UPON RECEIPT OF MATERIAL, THE RECEIVING PERSON WILL SIGN THE DD FORM 1149

ENTER ON LINE B12 OF NAVCOMPT FORM 153

TOTAL \$40.00

DD FORM 1149 10-71

Figure 2-8.—Bulk sales.

NAVSUP Form 469. The amount collected is not added to the total cash collected for the month from the retail store. The words *Bulk Sales* are entered in the Amount in Figures column of both the NAVSUP Forms 469 and 470. ROM users will enter amounts collected from bulk sales in the ROM cash receipt function using store number 99. ROM will automatically total and enter all collections entered for store number 99 to the bulk sales total of the Memorandum Cash Sales Invoice Deposit of Cash with the Disbursing Officer, DD Form 1149.

Since bulk sales are made at cost price, the retail store is losing the difference between cost price and selling price. To account for this, the ship's store office will prepare a Retail Price Change, NAVSUP Form 983, to mark down the items to be sold to cost price. The NAVSUP Form 983 will be posted to the Ship's Store Afloat Financial Control Record, NAVSUP Form 235. The DD Form 1149 for bulk sales is posted to the

Journal of Expenditures, NAVSUP Form 978. The ROM system will enter and post the bulk sale automatically to the applicable records. Make sure you receive a copy of the bulk sale and the NAVSUP Form 983 for your retail store file. Larger bulk sales for orders that cannot be filled in your retail store may be made out of the bulk storeroom at cost price. The procedures for doing this are contained in the NAVSUP P-487.

### Traveler's Checks

Traveler's checks may be sold through the ship's store after approval of the commanding officer. All traveler's checks are stored in the ship's store officer's safe. Any traveler's checks that will not fit in the ship's store officer's safe will be turned over to the disbursing office for safekeeping. The retail store operator will maintain a working stock of traveler's checks in a three-combination safe. Only the retail store operator

will have access to the safe and any of the working stock not sold during the working day will be turned over to the ship's store officer at the close of business. Traveler's checks are issued by the ship's store officer to the store operator daily. The ship's store officer will maintain a locally developed log to account for the checks. The log is called the Traveler's Check Control Record and this log will have columns for the following:

- Date
- Quantity received from vendor
- Quantity issued to retail store operator
- Quantity returned by retail store operator
- Initials (both ship's store officer's and retail store operator's)
- Balance on hand

The hours in which traveler's checks are sold will be designated by the commanding officer and should not conflict with the regular store hours. The minimum sale of traveler's checks is \$50. There will be a surcharge of 1 percent (\$1 per \$100) of the amount sold. The ship retains two-thirds of 1 percent (67 cents per \$1) of the surcharge, while the remaining one-third (33 cents per \$1) is given to the vendor. To assist you in selling the traveler's checks, consult the *Ship's Store Afloat Catalog* listing for traveler's checks, which contains complete instructions for selling checks to customers.

At the end of the business day, turn any remaining traveler's check stock and all cash from sales of traveler's checks collected over to the ship's store officer. Use the locally developed Traveler's Check Cash Collection Record log for this purpose. The log will have columns for the following:

- Value of checks issued to the retail store operator
- Value of checks returned
- Cash for face value of checks sold
- Value of surcharge fees collected
- Initials (both ship's store officer's and retail store operator's)

All cash collected from traveler's checks is recorded in a separate Cash Register Record, NAVSUP Form 469.

## **CASH COLLECTIONS**

The ship's store officer is responsible for the collection and deposit of funds received from sales in the ship's store. If desired, however, the ship's store officer may designate an officer or enlisted assistant as collection agent to count and collect cash from retail stores. Such designation must be made in writing. The cash collection agent will not be assigned duties as retail store, vending machine, amusement machine, or snack bar operator. The records keeper may be designated cash collection agent only when sufficient personnel are not available; however, this is not recommended. Although disbursing personnel may not be designated as cash collection agent, they may make collections from the sales outlets by virtue of their position. Cash received from the sales in the retail store must be counted and collected from the retail store operator at the close of each business day except when moneybags or a night depository safe is used. When more than one shift is in operation, all cash from sales must be collected at the end of each shift. All cash including change funds will also be collected at the end of the accounting period (30 Sept, 31 Jan, 31 May), when the sales outlet is closed for 72 hours or more, and when the ship's store officer or the sales outlet operator is relieved.

During actual cash collections, the cash register will be rung out and the reading will be recorded. The difference between the current day's register reading and the previous day's reading minus the cash left in the register for change should equal the cash collected. If it does not, then you have an overage or shortage. Refunds and overrings will be included in the formula when necessary.

## **CASH DELIVERED BY THE SALES OUTLET OPERATOR**

The ship's store officer may have the cash delivered daily by the retail store operator to the designated collection agent. This is normally done when it is impractical for one reason or another for the collection agent to go around to every sales outlet to make collections.

When the cash receipts are delivered to the collection agent, the ship's store officer must

make sure the cash registers, vending machine meters, cash totalizers, and amusement machine meters are read at the end of the business day. When it is impractical to do this daily, it should be done at least twice weekly on an unscheduled basis. Cash for change will be provided daily by the cash collection agent to the store operator in exchange for a cash receipt.

## **MONEYBAGS**

When conditions make it impractical to collect the cash, such as when the retail store is open after regular working hours, including weekends, all cash in the register, including the change fund, may be placed in a moneybag, which must be locked and turned over to the supply department duty officer or to another commissioned duty officer for safekeeping.

All moneybags are numbered on the outside and are logged out in a locally developed log at the time of issue to the retail store operator. The supply department duty officer or another commissioned duty officer keeps the log in his or her possession during the duty day. Each moneybag is provided with two keys. One key is kept by the retail store or snack bar operator and the other one must be kept in a sealed envelope in the ship's store officer's safe. The envelope must be signed across the flap by the ship's store officer and the retail store or snack bar operator.

After closing the retail store or snack bar, the operator places the cash from sales including change fund in the moneybag. The moneybag(s) is/are locked and turned over to the supply department duty officer or another commissioned duty officer to be placed in a safe for safekeeping. The duty officer signs the log acknowledging receipt of the moneybags. The money in the locked moneybag does not need to be counted; however, every subsequent transfer of the locked moneybag should be recorded in the log. The following day, before the start of business, the cash register must be read and the retail store or snack bar operator must open the moneybag, count the money, and turn it over to the person making collections.

## **NIGHT DEPOSITORY SAFE**

An approved night depository safe may be installed for depositing money when sales outlets are opened after regular working hours, including weekends or any other time it is impractical for the person making collections to do so. When the

depository safe is used, moneybags will normally be used to collect money from the sales outlets, with the exception of vending machines where money boxes will be used. The actual use of money boxes is discussed later in this chapter. The sales outlet operator should carefully insert the moneybag or money box in the night depository safe, making sure it drops to the bottom. The money safe in the lower depository of the approved type of night depository safe is dual controlled by a key and combination lock. Two keys are provided for the key lock. One is given to a person who does not have access to or knowledge of the combination to the safe and who is responsible for opening the key lock. The other key is placed in an envelope (signed across the flap by the ship's store officer and the person responsible for opening the key lock to the safe) and is kept in the ship's store officer's safe. The combination to the money safe is kept by the ship's store officer or designated cash collection agent. The combination is recorded on a piece of paper and placed in a sealed envelope, signed across the flap by the ship's store officer and cash collection agent, and kept in the ship's store officer's safe.

Before the start of business the following day, the cash register reading will be taken. The key lock and the combination lock to the safe are opened by authorized personnel, and the moneybags or money boxes are removed and opened by the sales outlet operator. The person making collections then counts the money in the presence of the sales outlet operator.

## **CASH LEFT IN THE CASH REGISTER OVERNIGHT**

Cash not to exceed \$50 may be left in the cash register overnight except when more than one shift is operated. In each instance when a \$50 change fund is inadequate on a continuing basis, the type commander may authorize that cash not to exceed \$100 may be left in the cash register overnight except when more than one shift is operated.

It is highly recommended that cash not be left in the register overnight; it should be locked up inside a safe installed inside the store for that purpose. The cash register drawer should be drawn out in the evening to indicate that there is no money in it. Also, a sign should be posted conspicuously outside the store stating that "There is no money left in the register overnight."

## ACCOUNTING FOR CASH

Each store operator is responsible for the cash collected from sales as long as it is in his or her possession. Cash is usually collected at the close of each business day by the ship's store officer or a designated collection agent. Two records are maintained in which the cash collection is recorded. In addition to these records, ROM users will enter cash collections in the cash receipt function daily, or as soon as practical.

### Cash Receipt Book

The Cash Receipt Book, NAVSUP Form 470, has already been mentioned often in this chapter. The NAVSUP Form 470 shows receipt for all cash and overruling or refund vouchers, if any, turned in to the ship's store officer or cash collection agent. This cash receipt book is kept in the custody of each sales outlet operator. The designated cash collection agent, when making the

daily collections from the sales outlets, must receipt for all cash in the cash receipt book. (See fig. 2-9.) When the cash collection agent is making collections, the ship's store officer will review the cash receipt book daily, or at least twice a week, and will initial entries. In addition, the ship's store officer will compare the amounts entered on the ROM with the amounts entered in the NAVSUP Form 470 once a week. Spaces are provided in the cash receipt book for the date; the amount of cash turned in (which is written out in words and also entered in figures); and the signature of the person collecting, as well as that of the sales outlet operator. Whenever an error is made, draw a line through the entire line and write the correct information in the following space. Line-outs must be initialed by the sales outlet operator and the person making collections. No alterations are allowed.

Whenever the store is closed for 72 hours or more, record it in the cash receipt book. Record

NAV 5 AND 6 FORM 470 (REV 11-64)				U. S. ENTER SHIP'S NAME	
CASH RECEIPT BOOK				Month of <u>October</u>	
SHIP'S OR COMBANDARY STORE					
DATE	AMOUNT	IN WORDS	IN FIGURES	INITIALS	SIGNATURE
1	Three hundred twenty-one	Twenty-five	321 75	OK	John J. Wilson
2	Three hundred thirty-five	Twenty-five	335 90	OK	John J. Wilson
3	Twenty-two	None	Refund	OK	John J. Wilson
4	Three hundred eighty-two	Twenty-five	382 90	OK	John J. Wilson
5	Two hundred ninety-two	Twenty-five	292 60	OK	John J. Wilson
6-9	Store Closed	None	On Leave	OK	John J. Wilson
10	Three hundred seventy-eight	Twenty-five	378 10	OK	John J. Wilson
13	Four hundred forty-eight	Twenty-five	448 50	OK	John J. Wilson
14	Three hundred seventy-eight	Twenty-five	378 20	OK	John J. Wilson
15	Eight hundred ten	Twenty-five	810 95	OK	John J. Wilson
17	Eight hundred seventy-eight	Twenty-five	878 15	OK	John J. Wilson
18	Four hundred eighty-three	Twenty-five	483 15	OK	John J. Wilson
19	Four hundred eighty-two	Twenty-five	482 00	OK	John J. Wilson
20	Four hundred seventy-eight	Twenty-five	478 60	OK	John J. Wilson
21	Three hundred twenty-four	Twenty-five	324 30	OK	John J. Wilson
24	Four hundred twelve	Twenty-five	412 45	OK	John J. Wilson
25	Five hundred three	Twenty-five	503 90	OK	John J. Wilson
27	Four hundred ninety-two	Twenty-five	492 25	OK	John J. Wilson
28	Four hundred eighty-five	Twenty-five	485 80	OK	John J. Wilson
29	Four hundred eighty-five	Twenty-five	485 95	OK	John J. Wilson
30	Five hundred seventy-eight	Twenty-five	578 30	OK	John J. Wilson
31	Five hundred eighty-two	Twenty-five	582 00	OK	John J. Wilson
Total				OK	John J. Wilson
Grand Total				OK	John J. Wilson

INCLUDE AMOUNT OF REFUND FOR INFORMATION ONLY, DO NOT ADD TO "TOTAL FIGURE"

MUST AGREE WITH THE TOTAL FOR THE MONTH ON THE CASH REGISTER RECORD (NAVSUP FORM 469)

2,710 05

Figure 2-9.—Cash Receipt Book, NAVSUP Form 470.

Overring/Refund Vouchers, NAVSUP Form 972, as a separate entry in words only, with the notation Overring or Refund, as applicable, in the Figures column and with the date and signature included. The amount of the overring or refund voucher will not be added to the total collection figure for the month.

At the end of the month, the sales outlet operator will total the amounts on the NAVSUP Form 470. The total figure must match with the total figure reported on the Cash Register Record, NAVSUP Form 469, and the total cash collections entered in the ROM for that sales outlet.

### Cash Register Record

A Cash Register Record, NAVSUP Form 469, is retained in the custody of the person making the collection as evidence of cash collected from sales. Cash including any overring or refund

vouchers collected from sales is recorded in this record at the end of each business day. The overring or refund voucher is recorded on a separate line of the NAVSUP Form 469 and the voucher itself is attached to the applicable page. The NAVSUP Form 469 will show when the sales outlet is closed for 72 hours or more. It is not required to start a new cash register record when changing cash collection agents, ship's store officers, or disbursing officers.

ROM users will enter amounts collected from each sales outlet daily in the ROM system or as soon as practical. The ship's store officer will compare amounts entered in the ROM with the amounts entered in the NAVSUP Form 469 once a week.

As the sales outlet operator, you will sign for all cash collected from sales in the cash register record and should be familiar with what is entered in this record. (See fig. 2-10.) The

RETAIL STORE #1										RECORD OF ACTUAL CASH TURNED IN BY SUMMARY STORE CASHIER							
CASH REGISTER RECORD FOR THE MONTH OF OCTOBER, 19--										ON SHIP'S STORE STOREKEEPER OCTOBER, 19--							
U. S. ENTER SHIP'S NAME AND BULL NO.										AMOUNT IN FIGURES		AMOUNT IN WORDS		SIGNATURE OF CASHIER OR EMPLOYEE		SIGNATURE OF RECEIVING OFFICER	
DATE	CASH LEFT NUMBER	NUMBER OF CUSTOMERS	NUMBER OF SALES	REGISTER READING	ACTUAL CASH IN REGISTER	OVER	UNDER	CASH LEFT IN REGISTER FOR CHANGE			Debit	Credit					
1	Brought Forward			648.80													
1	694	114	0	930.30	371.25	25		50.00			371.25	THREE HUNDRED SEVENTY-ONE DOLLARS AND TWENTY-FIVE CENTS					
2	695	221	3	1528.20	585.90			50.00			585.90	FIVE HUNDRED EIGHTY-FIVE DOLLARS AND NINETY CENTS					
3	696	103	4	1920.80	848.70			50.00			848.70	EIGHT HUNDRED FORTY-EIGHT DOLLARS AND SEVENTY CENTS					
4-9																	
10	697	105	2	2198.25	378			NONE			378	THREE HUNDRED SEVENTY-EIGHT DOLLARS					
13	698	187	1	2645.40	496.50	25		50.00			496.50	FOUR HUNDRED NINETY-SIX DOLLARS AND FIFTY CENTS					
13																	
14	699	125	1	2762.90	367.20		10	50.00			367.20	THREE HUNDRED SIXTY-SEVEN DOLLARS AND TWENTY CENTS					
15	700	153	3	3513.90	660.75	05		50.00			660.75	SIX HUNDRED SIXTY-ONE DOLLARS AND SEVENTY-FIVE CENTS					
17	701	136	0	4250.20	726.15		25	50.00			726.15	SEVEN HUNDRED TWENTY-SIX DOLLARS AND FIFTEEN CENTS					
18	702	167	0	4733.45	483.15		10	NONE			483.15	FOUR HUNDRED EIGHTY-THREE DOLLARS AND FIFTEEN CENTS					
19	703	159	1	5205.85	522.00			50.00			522.00	FIVE HUNDRED TWENTY-TWO DOLLARS					
20	704	143	2	5623.65	417.60		20	NONE			417.60	FOUR HUNDRED SEVENTEEN DOLLARS AND SIXTY CENTS					
21	705	127	3	5947.95	434.30			50.00			434.30	FOUR HUNDRED THIRTY-FOUR DOLLARS AND THIRTY CENTS					
24	706	132	0	6360				50.00									
25	707	141	1	6864				50.00									
27	708	162	1	7356.25				50.00									
28	709	130	0	7824.25	527.80			50.00			527.80	FIVE HUNDRED TWENTY-EIGHT DOLLARS AND EIGHTY CENTS					
29	710	144	0	8320.70	535.75			50.00			535.75	FIVE HUNDRED THIRTY-FIVE DOLLARS AND SEVENTY-FIVE CENTS					
30	711	152	1	8951.00	625.30		55	50.00			625.30	SIX HUNDRED TWENTY-FIVE DOLLARS AND THIRTY CENTS					
31	712	161	2	9467.35	516.20		15	NONE			516.20	FIVE HUNDRED SIXTEEN DOLLARS AND TWENTY CENTS					
				FINAL "REGISTER READING" 9967.35													
				MINUS "REGISTER READING" 648.80													
				PLUS "OVER" + 35													
				MINUS "UNDER" - 78.25													
				9467.35													
				- 648.80													
TOTAL				8818.55		35.78.85		750.00									
										TOTAL "ACTUAL CASH IN REGISTER"		9,490.05					
										MINUS TOTAL "CASH LEFT FOR CHANGE"		- 750.00					
										EQUALS TOTAL "AMOUNT IN FIGURES"		8,740.05					
										8740.05		EIGHT THOUSAND SEVEN HUNDRED FORTY DOLLARS AND FIVE CENTS					
										THIS FIGURE SHOULD AGREE WITH THE TOTAL FIGURE IN THE CASH RECEIPT BOOK, NAVSUP FORM 470							

Figure 2-10.—Cash Register Record, NAVSUP Form 469.

NAVSUP Form 469 provides a record for the following:

- The date that cash was collected.
- The cash register reading at the close of business on the day the cash is collected.
- The actual cash in the cash register.
- The amount over or under according to the difference between the cash in the register and the cash sales registered for the collection period. (Overrings and/or refunds will be included in the amount over or under.)
- The amount of cash left in the cash register overnight for change for the following day.
- The amount of cash collected, both in figures and in words.
- The amount of overring or refund vouchers, if any.
- The signature of both the sales outlet operator and the person making the collection.

Any overages or shortages over 5 dollars not substantiated by an overring or refund voucher must be examined and initialed by the ship's store officer. No signature will be placed opposite any entry on the NAVSUP Form 469 that shows an erasure or alterations. The entire line will be ruled out and initialed by the person making the collections and the sales outlet operator. When the type of cash register permits, the cover lift number, the number of customers, and the number of "no sales" also must be entered on the NAVSUP Form 469. At the end of each month the cash register record must be totaled and compared to the total figure reported in the Cash Receipt Book, NAVSUP Form 470, and the ROM system for the month.

## SECURITY

A great deal has been said already regarding security. This is because security is so important and cannot be emphasized too strongly. All sales outlets are group III spaces and should be secured as discussed in chapter 1 of this TRAMAN. In addition to the security mentioned in chapter 1, you should also be aware of the possibility of theft or fraud. If you are not careful, theft may occur while the store is opened. You can pretty well

prevent this just by keeping a close eye on the customers. Only allow a limited number of customers at a time to enter the walk-in store and never allow any customers to shop wearing a heavy jacket. Always ask the customers politely to remove their coats or jackets while in the store. A small sign placed on the door will also help to remind them.

## BREAKIN TO A SHIP'S STORE SPACE

When a space is broken into, the space involved will have to first be sealed using a serialized seal. The incident and circumstances will be reported to the commanding officer. The commanding officer will conduct an informal examination to reveal the extent of the loss. All spaces will be inventoried; all financial control records or stock records closed to determine the actual dollar value of the loss. If the informal examination reveals no loss, then no further action is required. If the examination reveals a loss due to the breakin, then the commanding officer must do the following:

- Relieve the accountable officer or agent if the examination indicates his or her negligence
- Request the assistance of the local Naval Investigative Service (NIS) for losses in excess of \$2,250
- Take disciplinary action according to the UCMJ, if necessary
- Reopen the space after inventory and when accountability is reestablished
- Report findings and action taken by letter to the type commander with a copy to the fleet commander, NAVSUP, Navy Accounting and Finance Center, NAVRESSO, and Naval Supply Corps School, Athens

## FRAUD

Fraud in the ship's store operation refers to theft of funds or merchandise or changing official records by the accountable officer or responsible individual. Any person suspecting fraud in the ship's store operation should report it to the commanding officer. The commanding officer will direct an informal examination by someone other than the accountable officer. Any space affected and all ROM backup tapes and transactions on the ROM microcomputer will be secured and the ship's store operation will be inventoried and closed out. If no loss is discovered after the



informal examination, no further action is required and the ship's store operation may resume. However, if a loss is discovered, the accountable officer or agent will be relieved if found to be responsible. The commanding officer will request assistance from the local NIS and will establish a formal fact-finding body according to the *JAG Manual*, par. 0909. Once inventory is completed and accountability reestablished, the ship's store operation will resume. The commanding officer will report findings and actions taken in the same manner as if a breakin had occurred.

## INVENTORY

Physical inventory is the process by which you identify, count, and evaluate all stock on hand. Inventory is conducted in the sales outlets at the end of each accounting period (31 Jan, 31 May, and 30 Sept), on relief of the ship's store officer or sales outlet operator, and when directed by higher authority.

The ship's store officer is responsible overall for an accurate and complete inventory. Just before inventory, a two-count system will be employed and, therefore, a minimum of two inventory teams is required. Normally, inventory teams consist of two persons; however, if sufficient personnel are not available, teams may

be composed of one person. The office records-keeper may not be assigned to an inventory team. The first team should consist of the ship's store officer or other commissioned officer and one enlisted person, while the second team will consist of one enlisted person in the supply rating E-6 or above and one other enlisted person.

Since each sales outlet differs in size, volume, layout, and so forth, specific instructions will be prepared locally and distributed to personnel well in advance of the inventory to cover such topics as assignment of personnel, cutoff times, stock arrangements, and so forth. A layout sketch of the sales outlet will also be prepared showing each fixture, bin, shelf, and showcase with a number identifying each one. These layouts are prepared by the ship's store officer in advance of the inventory. An identical number to the one shown on the layout sketch will be attached to each fixture by the sales outlet operator in the sales outlet.

As the sales outlet operator, you should make sure your space is ready for inventory. First, you should arrange all merchandise in the sales outlet, so similar items are together and stacked neatly. Second, you will prelist the space by putting the information, as shown in figure 2-11, on the Inventory Count Sheet, NAVSUP Form 238. The NAVSUP Form 238 is used to record the

PRELISTED BY		RESPONSIBLE CLS.		SHIP'S STORE INVENTORY COUNT SHEET				SERIAL NO.	
FIRST COUNT		SECOND COUNT		NAVSUP FORM 238 (REV 4-78)				DATE OF COUNT	
RECORDED BY				COUNTED BY				BULK STOREROOM NO.	
ENTER YOUR NAME AND RATE								STORE NO.	
EXTENDED BY								ICE CREAM BAR (FOUNTAIN) NO.	
EXTENSIONS CHECKED BY								G MACHINE NO.	
								NUMBER USED TO SPACE	
FIX. NO.	ITEM DESCRIPTION	UNIT	RETAIL PRICE	QUANTITY	TOTAL INVENTORY AT RETAIL	COST PRICE	TOTAL INVENTORY AT COST		
A1	Candy, Almond Joy	EA							
A1	Candy, Baby Ruth	EA							
A1	Candy, Pay Day	EA							
A1	Candy, M+M Peanut	EA							
<p>INSTRUCTIONS:</p> <ul style="list-style-type: none"> <li>• USE WHITE (ORIGINAL) AND YELLOW COPIES FOR FIRST COUNT.</li> <li>• USE PINK COPY.</li> <li>• USE SEP EACH SP.</li> </ul> <p>THE UNIT RETAIL OR COST PRICE WILL NOT BE LISTED IN ADVANCE.</p> <p>ITEMS SHOULD BE PRELISTED FOLLOWING THE INVENTORY PATTERN.</p> <p>ENTER THE FIXTURE NUMBER, ITEM DESCRIPTION, AND THE UNIT OF ISSUE OF EACH ITEM TO BE INVENTORIED.</p>									
PAGE TOTAL									

DISTRIBUTION: • WHITE COPY - SHIP'S STORE OFFICER • PINK COPY - RESPONSIBLE CUSTODIAN • YELLOW COPY - OFFICE RECORDS KEEPER • BLUE COPY - FOR USE AS PRICE LIST

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G/N 6100-LF 900-2380

Figure 2-11.—Prelisting for inventory.

inventory; you may obtain the forms from the ship's store officer. You do not need to worry about retail or cost prices on the prelisting; however, be sure you follow the inventory pattern. Prelist from left to right and finish prelisting one fixture before moving onto the next. If your ship uses the ROM system, you may be required to generate or update the inventory prelisting by identifying ship's store stock numbers in the same order as they will be inventoried. During inventory when the actual physical inventory is not in progress, and on completion of the inventory, the retail store must remain closed until it has been determined that there is no excessive shortage or overage. The ship's store officer secures the space with a numbered lead or car seal. A log of these numbered lead or car seals is maintained.

After it has been determined that there is no excessive shortage or overage, the lead seal is broken and the store is reopened for business.

## **RESTOCKING**

The retail store is restocked by breaking out merchandise from the bulk storeroom on an Intra-Store Transfer Data, NAVSUP Form 973. Procedures for conducting breakouts are included in chapter 3 of this TRAMAN. The important thing to remember about breakouts from the bulk storeroom is to check every item to be sure that you receive what you are charged for. If you receive more than you are charged for, you are not making any extra money for the store because the mistake will have to be resolved at the end of the accounting period. Also this causes a great deal of extra work for the office personnel. So demand what you are charged for and take **ONLY** those amounts.

When preparing requirements for restocking the store, there are a few basic considerations to keep in mind. Make sure you use the basic stock list when you prepare your list of requirements for the retail store. As we discussed earlier, these basic stock items are considered necessary for the health and comfort of the crew and you should try to keep them in stock at all times.

In hot, humid climates, avoid overstocking highly perishable merchandise such as candy bars, chocolates, gum, biscuits, cookies, and some tobacco products. If your retail store is air-conditioned, you will not have this problem. You will be able to control the temperature in your space. You should keep the temperature between 60°F and 65°F to protect all items. If your retail store is not air-conditioned or ventilation is poor,

you should use care when preparing your restocking list to avoid overstocking items that may be perishable. Stowage of and information on specific stock items is covered in chapter 3 of this TRAMAN.

## **STORING FOR SEA**

The important thing to keep in mind when preparing your store for sea is to anticipate rough weather. Racks and bins should be used to the fullest extent, especially for all breakable items such as cameras and watches. When these expensive items are damaged beyond sale, the loss is absorbed in your profits and there is no way the money can be recouped. Never secure the store for the day until you have very carefully checked everything and are sure things are secured to withstand any heavy seas that may develop during the night. It takes only one hard roll to bring all unsecured merchandise crashing to the deck. Many retail store operators have learned the hard way when they found themselves putting their store back together, not to mention having to answer for their negligence. Taking the initial precautions and a few extra minutes at the end of each day will eliminate the possibility of any mishaps.

## **SANITATION AND CLEANLINESS**

Sanitation regulations are approved by the senior member of the medical department and issued to all sales outlets and service activities. These instructions are posted in ship's store spaces and must be rigidly enforced. All merchandise, shelves, bins, and the overhead must be kept free of dust and dirt. Keep the decks clean and allow no dirt or dust to accumulate in corners. Dirty merchandise in a dirty space loses its appeal.

In addition, personnel assigned to the spaces must be scrupulously clean at all times. Your customer has every right to expect to be served by a neat, well-groomed operator. Create a favorable impression, and you have a customer who is more easily satisfied.

## **VENDING MACHINES**

Just like the retail store, the vending machines are sales outlets. These machines are another means of merchandising products aboard ship. A vending machine (fig. 2-12) is a coin-operated



**Figure 2-12.—Vending machines.**

machine that dispenses merchandise after the customer inserts legal coins or currency. The vending machine is equipped with a coin changer that provides change to the customer after purchase. The following coin-operated machines are authorized for shipboard use: cup or can soft drink, candy/cookie, cigarette, hot food/snack, dollar bill changer, and electronic amusement machines.

Vending machines are very important toward high crew morale. The two top jobs of the vending machine operator are keeping the machines full and taking care of customer complaints. Servicing the vending machines is not an easy job. They are the only part of the ship's store operation that provide service 24 hours a day, 365 days a year.

### **VENDING MACHINE CASH COLLECTIONS**

As the vending machine operator, you will normally have another job on top of taking care of the vending machines. To make collections within prescribed time limits and still do your jobs, you

will more than likely have to time your collections so they will not interfere with your other work. This can be easily worked out with the person who is making collections. You should keep in mind that the vending machines need to be collected daily or before making any repairs to the coin mechanism or the machine itself whether the ship is in port or at sea. On the weekends in port, cash only needs to be collected from the vending machines if the volume of sales is over \$150, or when making repairs to the machine or the coin mechanism. Also when the last business day of the month falls on a weekend or holiday, all cash must be collected.

Collections are recorded on the NAVSUP Forms 469 and 470 according to the procedures previously described. All collections from the vending machines will be entered in the ROM cash receipt function daily, or as soon as practical. When more than one machine is operated, the cash receipts for each machine must be recorded on separate pages of the NAVSUP Forms 469 and

470, and the pages must be identified accordingly. The Cash Receipt Book, NAVSUP Form 470, will be kept in the custody of the vending machine operator. Meter readings are taken at the time of collection and used to determine the amount of cash that should be in the vending machine. A record of these meter readings is maintained on the NAVSUP Form 469 under the column marked Number of Customers. The previous day's meter reading minus the meter reading at the time of collection times the selling price should equal the cash collected.

## **LOCKED MONEY BOXES**

When locked money boxes are installed in drink vending machines, the boxes will be numbered on the outside and issued to the vending machine operator by the person responsible for cash collections. Before issuing the locked money boxes, the collection agent will make sure the box is key locked and a seal is affixed over the lock opening. The number of the seal will be recorded in an unused column of the Cash Register Record, NAVSUP Form 469.

### **Delivery by the Vending Machine Operator**

The vending machine operator may be required to deliver the locked money boxes to the person making collections. If this is done, you should first take the meter reading and write it down before you remove the money box. After you remove the full money box, replace it with the empty one. The locked money boxes in vending machines are provided with two sets of keys, one locks the box inside the machine, while the other opens the money box itself. The vending machine operator will have the key that removes the box from the machine, and the other key that opens the money box will be retained by the person making collections. If the vending machine you are maintaining is not equipped with a meter to count sales, you should figure out how many cans you sold when you replace the money boxes. The total cans in the machine at the last collection plus the cans put in the machine minus the total cans in the machine at the time of collection equal the number of cans sold. After you get the meter reading or figure out the number of cans sold, you will deliver the locked money box to the ship's store officer or cash collection agent. Cash will be counted by the person making collections in the vending machine operator's presence. The

person making collections will then make sure the vending machine operator agrees with the meter reading or number of cans sold for each machine and will use them to see if the cash collected is over or short. When the money box is delivered to the cash collection agent instead of the ship's store officer, the ship's store officer must make sure the collection agent is personally reading each vending machine meter at least twice weekly.

## **Optional Procedures**

There may be times such as weekends or after regular working hours when the ship's store officer or the cash collection agent is not available to accept the vending machine coin box. In this case one of two things must be done. Place the money box in a night depository safe or turn the locked money box and meter reading over to the supply department duty officer or another commissioned duty officer for safekeeping.

When the second method is used, a money box log will be maintained by the duty officer receiving the money box. Each time the vending machine operator delivers or receives a money box from the duty officer, an entry will be made in this log and signed by both persons. When the money box is turned in, the duty officer will keep the money box in a safe place until the next day. The vending machine operator will pick up the money box and the cash will be collected and compared to the meter reading or number of cans sold.

## **VENDING MACHINE CONTROLS**

The Vending Machine Control, NAVSUP Form 236, is prepared monthly by the office recordskeeper, for each drink vending machine operated aboard ship and will be signed by the ship's store officer. The quantity of drinks in the custody of the vending machine operator is determined at the beginning and the end of each month. This is done by inventorying the number of drinks in the vending machine and any backup stock that is in the custody of the vending machine operator. The final cash collection of the month is done at the same time inventory is taken on each machine.

### **Vending Machines in Separate Responsibility Operations**

When one or more machines are operated under separate responsibility, the vending machine operator will maintain a daily record of vending

machine drinks. This daily record will be locally developed and placed on the inside door of each vending machine. The form should indicate the date, type of drink, and quantities as shown in figure 2-13. You must make sure you maintain this log sheet accurately because it is turned over to the ship's store officer at the time inventory is done at the end of the month and used in preparing the vending machine control. If this log sheet is inaccurate, the efficiency of the vending machine operation will be hard to determine.

### Vending Machines in Combined Responsibility Operations

When your vending machine operation is a combined responsibility, the procedures used will depend on whether you have one or more vending machines.

When you have one vending machine, inventory will be taken monthly of the drinks in the

vending machine and the bulk storeroom. The office recordskeeper will post the inventory to the Stock Record, NAVSUP Form 464. Using the information on the NAVSUP Form 464, the office recordskeeper will figure the amount of cans sold as we discussed earlier. The quantity of each flavor sold will be transferred onto an Intra-Store Transfer Data, NAVSUP Form 973. The data on the NAVSUP Form 973 will be used to prepare the Vending Machine Control, NAVSUP Form 236.

On the other hand, if you have more than one vending machine in combined responsibility, you will maintain a daily record of vending machine drinks as discussed earlier. This daily record for each machine will be turned over to the ship's store officer at the end of the month and the quantity of each drink placed in the machine will be transferred onto a NAVSUP Form 973. The data from the NAVSUP Form 973 will be used to prepare the Vending Machine Control, NAVSUP Form 236.

VENDING MACHINE NO: <u>1</u>						
MONTH: <u>September</u>						
DATE	FLAVORS					
	PEPSI	COKE	7-UP	MT. DEW	DR. PEPPER	
1	25	30	15	5	10	
3	10	10	20	25	15	
TOTAL						

Figure 2-13.—Daily record of vending machine drinks.

## **SERVICING THE VENDING MACHINES**

The operation of the vending machines is sometimes referred to as automatic merchandising. However, the only thing automatic about it is the customer drops a coin into the machine and receives the product in return. Everything else is done by the vending machine operator who services the vending machine.

### **Filling the Vending Machine**

Filling the vending machine (fig. 2-14) is much easier if the product is stored properly before being dispensed. For instance, during the process of shipping and handling of soda cases, there may be the possibility of damage occurring that goes unnoticed. If these damaged cases are not removed, the cardboard, plastic wrap, and cans in the cases below or adjacent to the damaged cases often remain wet for long periods of time.



**Figure 2-14.-Filling the vending machines.**

To prevent this damage, leaking or wet cases must be identified and removed from the pallet. We will discuss damaged cases and storage of different stock items later in chapter 3 of this TRAMAN.

Before you fill the machine, go to each individual machine and count how many of each flavor you will need to fill the machine. Do not guess at how much merchandise you will need or you may find yourself carrying merchandise back to the storage area. Make sure everything you bring to the vending machine is clean and free of damage. Open the machine and place the merchandise in its correct slot or space in the machine. Nothing is more disturbing to a customer than pushing for their favorite brand and receiving something else. Not only will the customer get the wrong product but the vending machine operator is not always readily available to assist the customer. It is best to place a sign on the machine with your name, rate, and ship's telephone number where you can be located if any problems occur. When restocking canned soda machines, do not forget to indicate on the daily record of vending machine drinks how many sodas you have placed in the machine by flavor, if this is required.

After you have filled all slots in the machine, test the vending machine for proper operation. It is very disturbing to the customer when the vending machine will not operate or will not accept money. Cleaning the coin changer regularly will help to prevent contact surfaces from becoming sticky and jamming coins. Make sure all machine lights are in proper working order such as sold-out lights and correct change lights. If you do not replace these burned-out lights and they are inoperative, the customer will put the money in thinking the product is in the machine when it actually is not. They will probably then have to settle for a product they did not want. If you leave the correct change light inoperative, the customers may put incorrect change in thinking they will get their change back and they will not because there will be no change in the machine. Also place a sign on the machine stating the time it was last filled so the customer will know how cold the sodas might be. It is best to fill the machines about an hour before work starts so the sodas in the machine are cold by the time the workday starts.

When possible, you should always try to fill the machine with brand name products. Do not fill the machine with off-brand products that do not sell. You might not have to fill the vending machine as often; however, you are doing your

shipmates an injustice and not doing your job according to the purpose of the ship's store. Remember, when you stick to name brand products you cannot go wrong.

The most important factor for you to remember when filling the machines is the timely scheduling of refilling the vending machines to make sure there is a continuous supply of products and services. Not scheduling your refilling times properly will result in empty machines or columns and unsatisfied customers. Remember, you may have to adjust your schedule for specific weather conditions. You sell more sodas when it is hot than when it is cold. On paydays, machines have a tendency to empty more quickly. As you gain experience in filling the machines, you will learn to adjust to these specific conditions.

### **Vending Machine Displays**

All product displays should be kept neat and clean and look appealing to the customer. Displays should be changed frequently to stimulate customer interest. Light bulbs for displays should be changed as soon as they burn out. Broken or discolored glass should be replaced as soon as possible. Plastic product decals are normally available from the company you purchase sodas from and should be used. Never use handwritten signs, if possible.

### **VENDING MACHINE SANITATION**

The vending machines aboard ship should be inspected on a regular basis by a representative of the medical department. Vending machines and the surrounding area should be kept clean. Especially remember to remove all trash, empty soda cases, boxes, and so forth, from around the vending machine after refilling it. The immediate area of the vending machine should be well lighted and provided with a covered trash receptacle. This trash receptacle should be emptied and cleaned frequently.

The vending machine itself should be mounted on a stand so it is about 6 inches off the deck. The reason for this is to make it easier for the vending machine operator to clean under and around the vending machine, especially when seepage occurs. The vending machine should be mounted in an area that protects it from overhead leakage or condensation from water, waste, or sewer pipes.

The actual cleaning of the machine should be frequent enough so that no surface of the vending

machine inside or out is sticky or dusty. The door and panel to the vending machine and any access opening for food should fit tightly and any worn gasket material should be replaced to prevent dust, dirt, or any other foreign particle from entering the machines. The vending machine operator should maintain a record of such cleanings in each machine and the record should be kept current for 30 days and made available during inspections. Sanitation of vending machines is covered in NAVMED P-5010, supplement 1 to chapter 1.

## **AMUSEMENT MACHINES**

Amusement machines aboard ship are operated as part of the ship's store (fig. 2-15). Because of the changing popularity in games, amusement machines are leased instead of purchased. The money boxes to amusement machines should be secured by using a restraining bar across the front of the coin box. A keyless combination padlock is used to lock the device in place. The person

making collections is the only one who knows the combination to this lock. You should collect cash from amusement machines as frequently as you do the vending machines. As the amusement machine operator, you will be provided with a Cash Receipt Book, NAVSUP Form 470, to record all cash collected. When you are operating more than one machine, you can record cash collected for each machine on separate pages of the NAVSUP Form 470. Also a separate Cash Register Record, NAVSUP Form 469, is maintained by the person making collections from the amusement machines. Like the NAVSUP Form 470, a separate page will be maintained in the NAVSUP Form 469 for each machine.

Meters are also installed in amusement machines to tell you the total cash receipts for each machine. Meter readings are taken each time cash is collected and recorded on the NAVSUP Form 469. The difference between the present meter reading and the previous meter reading should



**Figure 2-15.-A group of amusement machines aboard ship.**



equal cash collected. ROM users will enter the cash collected from amusement machines in the ROM amusement machine function daily, or as soon as practical. If a shortage or an overage occurs of \$5 or more, the ship's store officer will examine and initial it on the NAVSUP Form 469 and take the appropriate corrective action.

Amusement machines are a great source of additional profits for your ship's store and a big morale booster. You cannot lose with the amusement machine program because the contractor will replace the machine on request, service the machine, furnish a supply of spare parts when the ship is deployed and, in some cases, install the machine. Amusement machines are set to charge 25 cents per play and, depending on the amusement machine contractor, about 65 percent of the 25 cents will go directly to ship's store profits.

## **SNACK BAR**

For promoting high morale among ship's personnel, a well-administered snack bar can be a great asset. The objective of the snack bar is to give the best possible service to the greatest number of people. Many times, the services will include only the sale of "gedunk" (candy bars, potato chips, crackers, canned snacks, and so forth) and soft drinks, either canned or cup type. Many ships have ice cream sales and some have a popcorn machine. If you are assigned to a large snack bar, you must know how to make sundaes, malted milks, milkshakes, and several other specialties. Obviously, you cannot serve these delicacies unless you have the equipment, space, personnel, and time. ROM users will establish a separate outlet in the ship's store constants function so breakouts, sales, and inventories of the snack bar are documented.

## **PRICES**

One thing that all hands are particularly interested in is the price of the items for sale at the snack bar. Snack bar prices are set to realize a profit, but not an enormous one. Prices for snack bar sales of ice cream will include the cost of a serving of ice cream, the ice-cream mix, the flavor, the container, and the spoon. For popcorn sales, the popcorn seeds, oil, salt, and container or box are included in the price. The price for beverages will include the cost of a serving, cost

of syrup, the container, and a spoon, if needed. Once prices are set they must be prominently posted near the cash register in full view of the customer.

## **CASH COLLECTIONS**

Aboard ship, all sales in the snack bar are collected and recorded separately from sales in the retail store and the vending machines. Cash collections are made according to the procedures previously described.

## **COST CONTROL**

The ship's store officer must establish a system of cost control that is positive and that meets the requirements for internal control. Most ships have operating goals in order to generate the percent of profit desired, and in connection with the operating goals they keep production records.

### **Operating Goal**

The operating goal is the established gross profit percent desired, and it must be established by the ship's store officer based on the amount of profit that is desired to be generated. Once established, the operating goal should not be changed during the accounting period. The reciprocal of the desired profit will be used to compute the selling prices for various manufactured items. For example, the ship's store officer desires a profit of 35 percent. The reciprocal of 35 percent is 65 percent. You would simply divide the cost of selling a manufactured item in the snack bar by 65 percent to give you your selling price.

### **Production Records**

To determine accurately the cost per portion of those items manufactured on board such as ice cream, a Production Record, NAVSUP Form 241, must be maintained. The NAVSUP Form 241 is maintained by the person in charge of manufacturing the designated item and must be checked by the ship's store officer at least monthly. To ensure accuracy of the cost controls, it is essential that a uniform output of manufactured products be maintained from a given quantity of ingredients. The output generally should be maintained as prescribed in the directions on the container of the mix. The NAVSUP Form 241 must be kept on file in the office when completed.

## **RETAIL SNACK BAR ITEMS**

Many snack bars sell such items as candy, cookies, cigarettes, canned drinks, and so forth. These items are sold at established retail prices and when the cash register permits, sales of these retail items should be made separately from manufactured snack bar items. When this is not possible the value of retail items sold must be computed monthly or as required during the accounting period using the formula in NAVSUP P-487. ROM users must establish a separate outlet for snack bar retail items in the ship's store constants function. This is done so manufactured and retail snack bar items are accounted for separately.

## **MULTIPLE OPERATORS**

Normally snack bars are operated by one person. When more than one person is responsible for the snack bar operation, cash will be collected at the end of each shift and inventory will be taken monthly in addition to each accounting period. Follow the procedures discussed earlier in this chapter under multiple sales outlet operators.

## **SANITATION OF THE SNACK BAR**

Snack bars will be inspected twice monthly by a representative of the medical department. The snack bar operator must receive a physical examination from the medical department before assuming duties in the snack bar. This physical must be redone annually. The following sanitation regulations apply in the snack bar:

- Snack bar operators are considered foodservice workers and the standards of health and personal hygiene apply.

- To safeguard the health of personnel, the medical department will inspect all food offered for sale.

- Syrup containers should be cleaned inside out and no caking or drying should be allowed.

- Only paper or plastic containers can be used for dispensing drinks.

- Disposable spoons should be used for ice cream and ice-cream sodas.

- All utensils (including spoons, spatulas, dippers, scoops, and so forth) used for dispensing ice cream and other frozen desserts will be kept either in running water or in water maintained at 180°F between each serving.

- All equipment and utensils used to manufacture ice cream and frozen desserts will be cleaned thoroughly, rinsed with clean water, and disinfected just before use with a chlorine solution containing not less than 50 ppm of chlorine. The interior of the machine or interior parts that come in contact with the mixes will not be touched with the hands after reassembly and disinfection until ready for disassembly and cleaning again.

- All foods will be kept under secure covers to prevent excessive handling and prevent contact with dust or insects.

- Refrigerators will be kept clean at all times. No spilled ice cream or syrup should remain on the bulkheads or deck of the boxes for more than a few minutes.